



# **NON-PHONE QUANTITATIVE STUDY**

## **FINAL REPORT**

**Prepared For:**

**Ameritech Ohio**

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**#6142**

## **TABLE OF CONTENTS**

Background and Objectives .....	3
Methodology .....	4
Conclusions/Implications .....	7
Tables/Charts .....	9
Appendix	

## **BACKGROUND AND OBJECTIVES**

Ameritech Ohio has a commitment with the Public Utilities Commission of Ohio to better understand the households in their territory who do not have telephones.

Qualitative and quantitative research were conducted to identify:

- *Reasons for not having local phone service*
- *Awareness levels, perceptions and potential influences of Ameritech's special payment programs*
- *Any influences or programs which would increase the likelihood of signing up for local phone service*

## METHODOLOGY

A total of 343 administered interviews were completed for this study. All of the participants had to meet the following qualifications:

- Reside in Ameritech Ohio's marketing territory (qualified zip code list used)
- Be the person who makes decisions about telephone service
- At the present time, not own a cellular phone or pager
- Not be homeless

After a mail methodology was pilot-tested and dismissed with extremely low returns, a variety of methods were used to recruit qualified respondents and minimize selection bias.

Interviews were conducted using the following methods:

Door-to-door	51
Street/social service/mall intercept	225
Referral sources	20
Advertising	30
Senior housing	7
Unidentified method	10

Ads promoting the survey ran two consecutive weeks in late July/early August in the following areas/papers:

St. Clairsville	The Green Tab
Akron	The Suburbanite
Youngstown	The Mini Merchant
Columbus	The Other Paper
Cleveland	The Free Times

Interviews in Zanesville were conducted at the Salvation Army office and at the Early Start/Early Intervention office. Respondents were recruited through the United Way office. In Hillsboro, we interviewed at the Head Start Center at 208 N. Elm Street.

## **METHODOLOGY (Cont.)**

We used the following mall locations:

TIME Market Research  
667 Indian Mound Mall  
Heath, OH 43056 (Columbus)

Quick Test  
2400 Roming Road  
Akron, OH 44320

McCarthy Associates  
The Eastwood Mall  
55 Route 422  
Niles, OH 44446

TIME Market Research  
280 Ohio Valley Mall  
St. Clairsville, OH 43950

In Canton, Akron, & Toledo, we interviewed at small convenience stores, thrift stores, laundromats, bus stops, senior housing complexes, the "projects" (low income public housing areas).

Door-to-door interviews were conducted in the following zip code areas:

Canton	44702, 44703, 44704, and 44707
Cleveland	44103, 44104, 44113, and 44115
Toledo	43602, 43604, 43620, and 43624

## METHODOLOGY (Cont.)

The final sample represented the following demographic segments:

<u>Location</u>		<u>Age</u>	
Urban	240	18 to 34	162
Rural	103	35 to 54	148
		55 or older	33
<u>Gender</u>		<u>Children in household</u>	
Males	170	Yes	148
Females	170	No	185
<u>Race</u>		<u>Length of time without phone service</u>	
Caucasian	201	<1 year	147
Non-Caucasian	142	1 year or more	192
<u>Household income</u>			
<\$10,000	139		
\$10,000 - \$19,999	109		
\$20,000 or more	66		

The interviews lasted 25 minutes and covered the following topic areas:

- Screening for telephone ownership
- Telephone ownership history, features
- Dealings with their local telephone company
- Interest in getting telephone service
- Perceptions of amount of unpaid bills, amount to reconnect
- Feelings about applying for financial assistance
- Awareness and interest in USA Plan #1 and USA Plan #2
- Classification questions

## CONCLUSIONS/IMPLICATIONS

About three-fourths of the phoneless market in Ohio are interested in acquiring/restoring telephone service.

The segments that most anticipate restoring service and are most interested in the USA plans are:

- Females
- Those with children at home
- Non-Caucasian
- Age 35-44
- Lowest income group (under \$5,000)
- Have been without phone service the shortest period of time (less than 6 months)

In contrast, among seniors (age 55+) and rural residents, getting/restoring telephone service is less of a priority versus other groups. There is also less interest in applying/receiving financial assistance.

When forced to choose the most important reason for not having telephone service now, just under a third cite financial reasons. As would be expected, the financial reasons are more pronounced for the lower income segment and those with children at home.

Just over a quarter say they do not want or need telephone service. Twelve percent say "they decided to use the money for something else."

About half of the sample says they can afford local monthly service at a level estimated to be, on average, near to what they expect their local service costs would be (\$25-\$30).

Non-Caucasian sample members were more likely to have extra features when they last had telephone service. This higher interest among non-Caucasian sample members is also reflected in their higher than the overall sample's interest in USA Plan #2.

## **CONCLUSIONS/IMPLICATIONS (Cont.)**

The USA Plans are underutilized, due primarily to a lack of awareness of them. This study suggests the following approaches to decreasing the incidence of phonelessness:

- Increased communication of the USA plans through primarily targeted direct mail and television as well as through local newspapers and social service agency distribution.
- Low-income assistance—an income-based eligibility provision to boost participation among non-plan qualifiers.
- Using an application process (if auto enrollment not used) that minimizes the appearance of receiving financial aid, is simple to apply for and reinforces the feeling that privacy will be protected.
- The assistance offer should be communicated as implying that the reader is likely to qualify for the discount.
- Dispel misperceptions about the need to pay off outstanding long distance balances, having to pay for installation, or making a deposit (if no long distance is requested).

There will be possible resistance among a segment who cannot afford service and are unwilling to get assistance.

Given the high overlap in interest between plans, either one should be effective for targeting the non-telephone households.

There should be customer service training that will be targeted at improving the phoneless market's perceptions of the telephone service provider being insensitive, not knowledgeable, or able to understand their problems.



## **Tables / Charts**

### **Length Of Time Without Telephone Service**

Just under one-half of the sample (43%) have been without telephone service for less than one year, while 10% have been without it for five years or more and seven percent have never had it. On average, respondents have been without telephone service for about two years (1.8).

#### ***Subgroup Differences***

- The youngest group of consumers, those 18 to 24, have been without telephone service for the shortest amount of time. Thirty-three percent have been without it for less than six months versus 11% of 45-54 year olds, and 12% of those 55+. The youngest group is also the least likely to have never had telephone service (21%).
- The most affluent segment, those with household incomes of \$20,000 or more, have been without telephone service for the shortest amount of time. Thirty-six percent have been without for less than six months versus 11% among those with incomes of \$5,000 to \$9,999, and 18% among those with incomes of \$5,000 or less.
- Those with perceptions of being likely to restore service in the next six months are more likely to have been without service a shorter period of time (less than six months) (27%) than those (14%) who are not likely to restore service in the next six months. Those with children (29%) versus those without children (15%) are also much more likely to have been without telephone service for less than six months.

### Length of Time Without Telephone Service

	<b>Total %</b>	<b>Urban % a</b>	<b>Rural % b</b>
Less than 6 months	21	23	16
At least 6 months but less than 1 year	22	22	22
At least 1 year but less than 2 years	18	18	19
At least 2 years but less than 3 years	12	10	17
At least 3 years but less than 5 years	9	10	6
5 years or more	10	10	8
Have never had telephone service	7	6	10
Don't know	1	#	3 a
(Base)	(343)	(240)	(103)

Q4: Approximately how long have you been without telephone service?

# Less than 1%

a/b: Significantly greater than the column indicated by the letter at the 95% confidence level

**Length of Time Without Telephone Service**  
**Age**

		15-24 % m	25-34 % n	35-44 % o	45-54 % p	55+ % q
Less than 6 months	21	33 Pq	20	22	11	12
At least 6 months but less than 1 year	22	15	24	20	24	33 m
At least 1 years but less than 2 years	18	17	22 p	17	10	30 p
At least 2 years but less than 3 years	12	8	18	9	13	9
At least 3 years but less than 5 years	9	6	7	9	18 mn q	3
5 years or more	10	0	7 m	15 m	19 mn q	3
Have never had telephone service	7	21 nopq	2	6	3	3
Don't know	1	0	0	1	2	6 mn
Base:	(343)	(66)	(96)	(86)	(62)	(33)

Q4: Approximately how long have you been without telephone service?

m/n/o/p/q: Significantly greater than the column indicated by the letter at the 95% confidence level

**Length of Time Without Telephone Service  
Income**

			\$5,000- \$9,999	\$10,000- \$14,999	\$15,000- \$19,999	\$20,000+ %
Less than 6 months	21	18	11	21	20	36 ab
At least 6 months but less than 1 year	22	19	27	27	22	21
At least 1 years but less than 2 years	18	12	26 a	21	17	18
At least 2 years but less than 3 years	12	12	13	6	13	12
At least 3 years but less than 5 years	9	17 ce	6	2	13 ce	3
5 years or more	10	18 be	5	11	7	3
Have never had telephone service	7	4	10	10	9	6
Don't know	1	0	2	3	0	0
Base:	(343)	(77)	(62)	(63)	(46)	(66)

Q4: Approximately how long have you been without telephone service?

a/b/c/d/e: Significantly greater than the column indicated by the letter at the 95% confidence level

**Length of Time Without Telephone Service  
Interest in Local Service / Children**

		Interest in Local Service		Unlikely	
		g/h/i/j		%	
Less than 6 months	21	29 h	15	27 j	14
At least 6 months but less than 1 year	22	24	22	29 j	17
At least 1 years but less than 2 years	18	13	23 g	15	23
At least 2 years but less than 3 years	12	13	11	10	13
At least 3 years but less than 5 years	9	7	11	7	12
5 years or more	10	7	11	9	12
Have never had telephone service	7	7	8	3	8
Don't know	1	1	1	0	1
Base:	(343)	(143)	(185)	(161)	(146)

Q4: Approximately how long have you been without telephone service?

g/h/i/j: Significantly greater than the column indicated by the letter at the 95% confidence level

### **Usage Of Telephone Features**

Seventy percent had at least one feature when they last had telephone service. Consumers were most likely to have had Call Waiting (56%) and Caller ID (38%). Three-way Calling and Line-backer were named at the next highest levels (25% and 19%, respectively).

#### ***Subgroup Differences***

- Urban residents were much more likely to have had Call Waiting (62%) and 3-way calling (29%) than their rural counterparts (42% and 15%, respectively).
- Generally, younger consumers, ages 18 to 34 are more likely to have used a variety of features than their older counterparts ages 55+.

### Telephone Service Features Utilized

	<b>Total %</b>	<b>Urban % a</b>	<b>Rural % b</b>
Call waiting	56	62 b	42
Caller ID	38	39	37
3-way calling	25	29 b	15
Line-backer (inside wire maintenance)	19	20	17
Voice mail	15	18 b	6
Privacy manager	3	4	1
Or, any other features (Write in)	4	3	3
Had no extra features	21	18	29 a
Don't know/Refused	9	7	15 a
(Base=had telephone service previously)	(318)	(229)	(89)

Q5: Which of the following features, if any, did you have when you last had telephone service?

a/b: Significantly greater than the column indicated by the letter at the 95% confidence level



**Telephone Service Features Utilized  
Age**

	<b>Total %</b>	<b>18-24 % m</b>	<b>25-34 % n</b>	<b>35-44 % o</b>	<b>45-54 % p</b>	<b>55+ % q</b>
Call waiting	56	65 q	65 q	56 q	53 q	23
Caller ID	38	48 q	43 q	36 q	38 q	13
3-way calling	25	43 opq	27 q	26 q	15	6
Line-backer (inside wire maintenance)	19	15	21	27	13	13
Voice mail	15	22 p	18 p	15	7	6
Privacy manager	3	9	3	2	2	0
Or, any other features (Write in)	4	6	3	4	0	3
Had no extra features	21	11	13	23	27 mn	45 mno
Don't know/Refused	9	11	4	7	12	19 n
(Base=had telephone service previously)	(318)	(54)	(92)	(81)	(60)	(31)

Q5: Which of the following features, if any, did you have when you last had telephone service?

m/n/o/p/q: Significantly greater than the column indicated by the letter at the 95% confidence level

**Telephone Service Features Utilized  
Income**

	<b>Total %</b>	<b>&lt;\$5,000 % a</b>	<b>\$5,000- \$9,999 % b</b>	<b>\$10,000- \$14,999 % c</b>	<b>\$15,000- \$19,999 % d</b>	<b>\$20,000+ % e</b>
Call waiting	56	54	49	54	64	67 b
Caller ID	38	38	28	41	48 b	45
3-way calling	25	27	21	21	24	31
Line-backer (inside wire maintenance)	19	13	19	32 a	17	19
Voice mail	15	17 b	5	16	10	25 b
Privacy manager	3	3	2	2	7	3
Or, any other features (Write in)	4	5	2	2	—	5
Had no extra features	21	24	28	21	19	19
Don't know/ Refused	9	6	11	7	5	8
(Base=had telephone service previously)	(318)	(54)	(92)	(81)	(60)	(31)

**Q5: Which of the following features, if any, did you have when you last had telephone service?**

**a/b/c/d/e:** Significantly greater than the column indicated by the letter at the 95% confidence level

### **Reasons For Not Having Telephone Service Now**

The most frequently cited reason for non-telephone service was "cannot afford installation charges or the required deposit" (31%). "I decided to use the money for something else" and "the cost to make or receive long distance calls is too expensive for me" are mentioned at the next highest levels (27% and 24%, respectively).

The following three reasons were named by approximately one-in-five consumers: "the cost of local service is too expensive for me" (20%), "I have gotten used to living without it" (19%), and "I cannot control other household members' usage of the phone" (17%).

There was not one overriding **most important** reason for not having telephone service at the present time. "Financial" reasons (NET) and "lack of need" reasons (NET) were cited at similar levels overall (29% and 28%, respectively). Interestingly, one-in-five consumers was not able to isolate one most important reason for not having it now.

More specifically, the financial reasons cited include: "cannot afford installation or deposit" (15%), "the cost of local service is too expensive for me" (7%), and "the cost to make or receive long distance phone calls is too expensive for me" (6%).

The lack of need reasons cited include: "decided to use the money for something else" (12%), "have gotten used to living without it" (4%), and "do not need it" (3%), do not want it (3%), and "friends/neighbors take calls for me" (2%).

Other most important reasons included "having moved recently" (7%) and "cannot control other household members' usage of the phone" (5%).

#### ***Subgroup Differences***

- Consumers with children are much more likely to say they "cannot afford the installation charges or the required deposit" than consumers without children (40% vs. 25%, respectively).
- Not surprisingly, the lower the income the greater the financial hardship.
- Consumers with telephone features are more likely to have financial barriers to reconnecting than those without telephone features.
- Additional analyses of those who "decided to use the money for something else" do not reveal any relationship to financial barriers to reconnect or future intentions.

### Reasons for Not Having Telephone Service Now

	Total %	Urban % a	Rural % b
I cannot afford my installation charges or the required deposit	31	33	27
I decided to use money for something else	27	30	19
The cost to make or receive long distance calls is too expensive for me	24	25	21
The cost of local service is too expensive for me	20	21	19
I have gotten used to living without it	19	20	17
I cannot control other household members' usage of the phone	17	17	18
I have moved recently/not installed it yet	13	15 b	7
My friends/relatives/neighbors take calls for me	13	10	18 a
I do not want it	11	9	17 a
I do not need it	10	8	15
The cost of telephone features such as Call Waiting and Caller ID is too expensive for me	10	12	8
Phone calls are bothersome/nuisance to me	8	7	11
I do not like to use the phone	7	7	9
I prefer using a pay phone when I need to make calls	6	7	3
I have had problems with the local telephone company	3	3	4
I have no one that I need to call	3	3	3
(Base)	(343)	(240)	(103)

Q6: Please tell me, yes or no, if any of the following are reasons you do not have telephone service now.

a/b: Significantly greater than the column indicated by the letter at the 95% confidence level

### Reasons for Not Having Telephone Service Now

	Total %	Children in Household	
		Yes % g	No % h
I cannot afford my installation charges or the required deposit	31	40 h	25
I decided to use money for something else	27	25	28
The cost to make or receive long distance calls is too expensive for me	24	27	23
The cost of local service is too expensive	20	20	22
I have gotten used to living without it	19	16	21
I cannot control other household members' usage of the phone	17	22	15
I have moved recently/not installed it yet	13	16	11
My friends/relatives/neighbors take calls for me	13	18 h	10
I do not want it	11	11	11
I do not need it	10	6	14 g
The cost of telephone features such as Call Waiting and Caller ID is too expensive for me	10	14	9
Phone calls are bothersome/nuisance to me	8	8	8
I do not like to use the phone	7	3	11 g
I prefer using a pay phone when I need to make calls	6	4	6
I have had problems with the local telephone company	3	5	2
I have no one that I need to call	3	1	4
(Base)	(343)	(148)	(185)

Q6: Please tell me, yes or no, if any of the following are reasons you do not have telephone service now.

g/h: Significantly greater than the column indicated by the letter at the 95% confidence level

### Reasons for Not Having Telephone Service Now

	Total %	Income				
		<\$5,000 % a	\$5,000- \$9,999 % b	\$10,000- \$14,999 % c	\$15,000- \$19,999 % d	\$20,000+ % e
I cannot afford my installation charges or the required deposit	31	38	35	33	30	24
I decided to use money for something else	27	30	29	30	26	23
The cost to make or receive long distance calls is too expensive for me	24	17	21	33 a	37 a	26
The cost of local service is too expensive	20	19	23	22	28	20
I have gotten used to living without it	19	8	27 a	16	26 a	23 a
I cannot control other house-hold members' usage of the phone	17	19	13	11	20	20
I have moved recently/not installed it yet	13	6	8	8	22 abc	23 abc
My friends/relatives/neighbors take calls for me	13	8	21 a	10	13	15
I do not want it	11	1	16 a	13 a	11 a	18 a
I do not need it	10	4	15 a	13	11	14 a
The cost of telephone features such as Call Waiting and Caller ID is too expensive for me	10	9	5	14	20 b	11
Phone calls are bothersome/nuisance to me	8	1	13 ac	3	9 a	15 ac

Q6: Please tell me, yes or no, if any of the following are reasons you do not have telephone service now.

a/b/c/d/e: Significantly greater than the column indicated by the letter at the 95% confidence level

### Reasons for Not Having Telephone Service Now (Cont.)

	Total %	Income				
		<\$5,000 % a	\$5,000- \$9,999 % b	\$10,000- \$14,999 % c	\$15,000- \$19,999 % d	\$20,000+ % e
I do not like to use the phone	7	1	13 ac	3	11 a	14 ac
I prefer using a pay phone when I need to make calls	6	3	5	5	5	9
I have had problems with the local telephone company	3	3	5	2	2	5
I have no one that I need to call	3	1	--	2	9 ab	3
(Base)	(343)	(77)	(62)	(63)	(46)	(66)

Q8: Please tell me, yes or no, if any of the following are reasons you do not have telephone service now.

a/b/c/d/e: Significantly greater than the column indicated by the letter at the 95% confidence level

### Reasons for Not Having Telephone Service Now

	Total %	Number of Features When Had Phone	
		None % e	1+ % f
I cannot afford my installation charges or the required deposit	31	27	33
I decided to use money for something else	27	21	29
The cost to make or receive long distance calls is too expensive for me	24	15	29 e
The cost of local service is too expensive	20	16	23
I have gotten used to living without it	19	22	17
I cannot control other household members' usage of the phone	17	8	22 e
I have moved recently/not installed it yet	13	5	17 e
My friends/relatives/neighbors take calls for me	13	11	14
I do not want it	11	12	10
I do not need it	10	17 f	6
The cost of telephone features such as Call Waiting and Caller ID is too expensive for me	10	7	13
Phone calls are bothersome/nuisance to me	8	8	8
I do not like to use the phone	7	7	7
I prefer using a pay phone when I need to make calls	6	5	6
I have had problems with the local telephone company	3	3	3
I have no one that I need to call	3	3	3
(Base)	(343)	(121)	(222)

Q6: Please tell me, yes or no, if any of the following are reasons you do not have telephone service now.

e/f: Significantly greater than the column indicated by the letter at the 95% confidence level



### Most Important Reason for Not Having Telephone Service Now

	<b>Total %</b>	<b>Urban % a</b>	<b>Rural % b</b>
<b><u>Financial Reasons (Net)</u></b>	<b><u>29</u></b>	<b><u>26</u></b>	<b><u>37</u> a</b>
I cannot afford my installation charges or the required deposit	15	14	18
The cost of LOCAL service is too expensive for me	7	6	11
The cost to make or receive LONG DISTANCE calls is too expensive for me	6	6	8
<b><u>Reasons for Not Needing/Wanting (Net)</u></b>	<b><u>28</u></b>	<b><u>28</u></b>	<b><u>28</u></b>
I decided to use money for something else	12	14	9
I have gotten used to living without it	4	5	3
I do not need it	3	3	6
I do not want it	3	2	5
My friends/relatives/neighbors take calls for me	2	2	1
(Base)	(343)	(121)	(222)

Q7: Which of the reasons you mentioned in Q.6 is most important for you not having telephone service?

a/b: Significantly greater than the column indicated by the letter at the 95% confidence level

**Most Important Reason for Not Having Telephone Service Now (Continued)**

	<b>Total %</b>	<b>Urban % a</b>	<b>Rural % b</b>
<b><u>Other Reasons (Net)</u></b>	<b><u>22</u></b>	<b><u>20</u></b>	<b><u>28</u></b>
I have moved recently/Not installed it yet	7	8	3
I cannot control other household members' usage of the phone	5	3	8
I do not like to use the phone	2	1	5 a
I have had problems with the LOCAL telephone company	2	2	2
Other	7	5	11
Don't know/Refused	20	26 b	7
<b>(Base)</b>	<b>(343)</b>	<b>(121)</b>	<b>(222)</b>

**Q7:** Which of the reasons you mentioned in Q.6 is most important for you not having telephone service?

**a/b:** Significantly greater than the column indicated by the letter at the 95% confidence level

### Most Important Reason for Not Having Telephone Service Now

	Total %	Number of Features When Had Phone	
		None % e	1+ % f
<b><u>Financial Reasons (Net)</u></b>	<b><u>29</u></b>	<b><u>21</u></b>	<b><u>34 e</u></b>
I cannot afford my installation charges or the required deposit	15	14	16
The cost of LOCAL service is too expensive for me	7	4	9
The cost to make or receive LONG DISTANCE calls is too expensive for me	6	3	8
<b><u>Reasons for Not Needing/Wanting (Net)</u></b>	<b><u>28</u></b>	<b><u>39 f</u></b>	<b><u>22</u></b>
I decided to use money for something else	12	15	11
I have gotten used to living without it	4	7	3
I do not need it	3	7 f	2
I do not want it	3	2	3
My friends/relatives/neighbors take calls for me	2	2	1
<b>(Base)</b>	<b>(343)</b>	<b>(121)</b>	<b>(222)</b>

Q7: Which of the reasons you mentioned in Q.6 is most important for you not having telephone service?

e/f: Significantly greater than the column indicated by the letter at the 95% confidence level

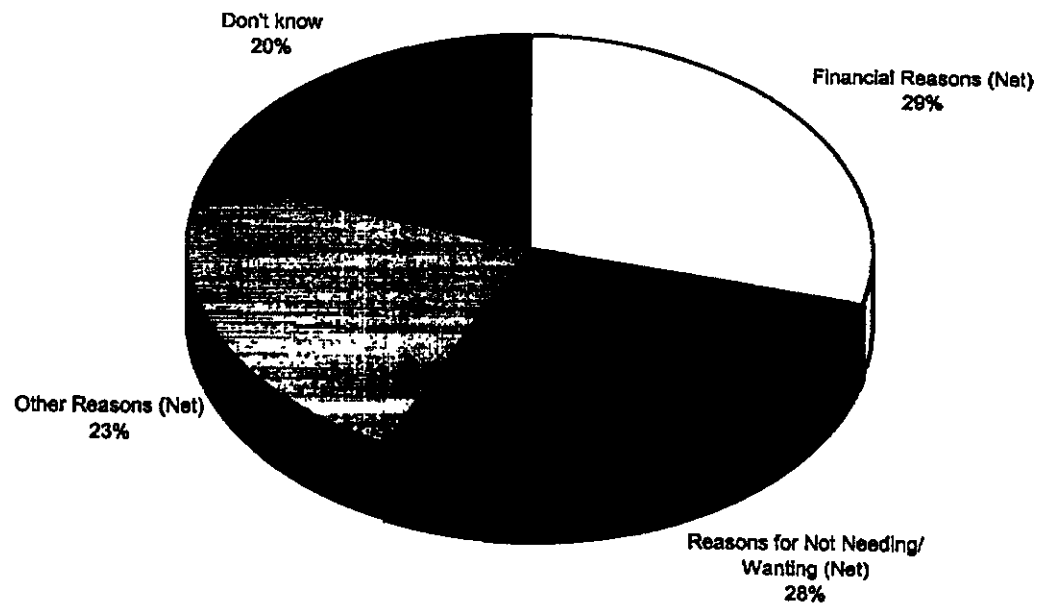
**Most Important Reason for Not Having Telephone Service Now (Continued)**

	Total %	Number of Features When Had Phone	
		None % a	1+ % b
<b><u>Other Reasons (Net)</u></b>	<b><u>22</u></b>	<b><u>17</u></b>	<b><u>26</u></b>
I have moved recently/Not installed it yet	7	2	9 e
I cannot control other household members' usage of the phone	5	3	5
I do not like to use the phone	2	3	2 a
I have had problems with the LOCAL telephone company	2	2	2
Other	7	5	8
Don't know/Refused	20	23	18
(Base)	(343)	(121)	(222)

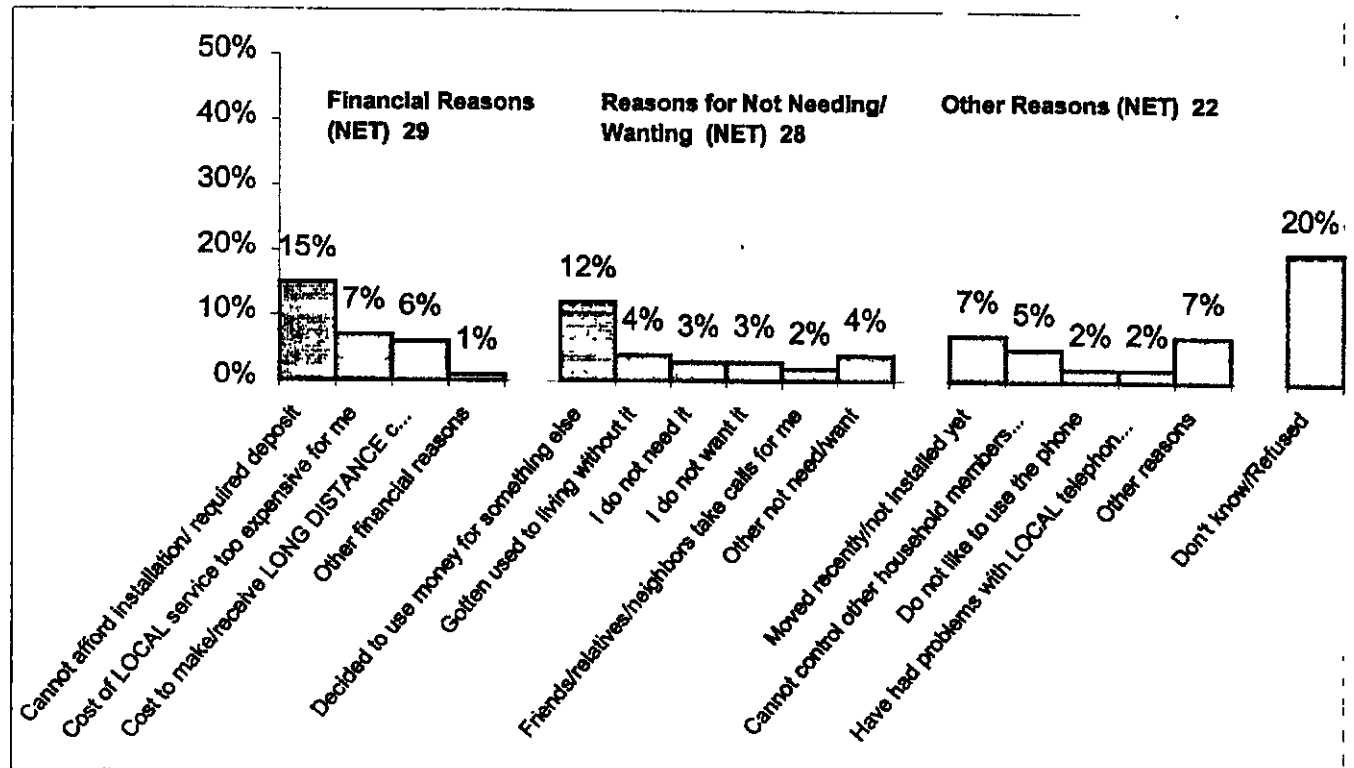
Q7: Which of the reasons you mentioned in Q.6 is most important for you not having telephone service?

a/b: Significantly greater than the column indicated by the letter at the 95% confidence level

### Most Important Reason for Not Having Telephone Service Now



## Most Important Reason for Not Having Telephone Service Now



### **Whose Decision to Discontinue/Disconnect Telephone Service**

Similar numbers of consumers reported that either the telephone company disconnected them (45%) or it was their decision to discontinue telephone service (42%). Ten percent never had telephone service.

#### ***Subgroup Differences***

- Consumers 55 and older were much more likely to have made the decision to discontinue telephone service than their counterparts in all of the younger age groups (67% vs. 38% (18-24), 55% (25-34), 47% (35-44), and 45% (45-54)).